

ASSEMBLY BILL

No. 2150

Introduced by Assembly Member Rendon

February 20, 2014

An act to amend Sections 541.5 and 5010.7 of, to add Section 535.4 to, and to add Chapter 14 (commencing with Section 5880) to Division 5 of, the Public Resources Code, relating to the Department of Parks and Recreation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2150, as introduced, Rendon. Department of Parks and Recreation.

(1) Existing law places responsibility of the state park system, which includes all parks, public camp grounds, monument sites, landmark sites, and sites of historical interest established or acquired by the state, with the Department of Parks and Recreation. Existing law requires the department to administer, protect, develop, and interpret the property under its jurisdiction for the use and enjoyment of the public. Existing law authorizes the department to expend all moneys of the department for the care, protection, supervision, extension, and improvement or development of the property under its jurisdiction. Existing law requires the State Park and Recreation Commission to evaluate and assess the department's deferred obligations, as specified.

This bill would require the department to identify and develop a priority list of deferred state park maintenance projects, as specified. The bill would require the department to apply specified factors when prioritizing and identifying projects for the deferred maintenance list including, among others, projects that are necessary to prevent a state

park from closing and projects that will increase park access to underserved communities.

This bill would also require, by July 1, 2015, that the Division of Community Initiatives and Park Access be created within the department for the purpose of, among other things, developing and promoting programs that address the park and recreational needs of underserved youth and young adults.

(2) Existing law prohibits the department from closing or proposing to close a state park in the 2012–13 or 2013–14 fiscal year. Existing law provides that this prohibition does not limit or affect the department’s authority to enter into an operating agreement during those fiscal years, as specified.

This bill would extend this prohibition against closing or proposing to close a state park to the 2014–15 fiscal year and would similarly not limit or affect the department’s authority to enter into an operating agreement during that fiscal year, as specified.

(3) Existing law requires the department to develop a revenue generation program as an essential component of a long-term sustainable park funding strategy. Existing law requires the incremental revenue generated by the revenue generation program to be deposited into the State Parks and Recreation Fund and transferred to the State Parks Revenue Incentive Subaccount, as provided, once revenue targets have been met and the excess revenue is identified. Existing law further requires the department to allocate the revenue as specified, and requires the department to use 50% of the excess revenue deposited into the State Parks Revenue Incentive Subaccount for specific purposes, including the funding of capital costs of construction and installation of new revenue and fee collection equipment and technologies.

This bill would require the department, in expending these funds, to give first priority to the implementation of an integrated statewide enterprise system to modernize the department’s fee collection, reservations, sales, and data collection systems, as specified.

(4) Existing law establishes the California State Park Enterprise Fund, and provides that the revenues in the fund shall be available to the department upon appropriation by the Legislature, for specified purposes. Existing law makes these funds available for encumbrance and expenditure until June 30, 2014, and for liquidation until June 30, 2016.

This bill would extend the authorization for encumbrance and expenditure of these funds until June 30, 2015, and for liquidation until June 30, 2017, thereby making an appropriation.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 535.4 is added to the Public Resources
2 Code, to read:

3 535.4. (a) The department shall identify and develop a priority
4 list of deferred state park maintenance projects. The list shall only
5 include projects for which the initial design, scoping, and planning
6 necessary to develop verifiable project cost estimates have been
7 completed.

8 (b) In addition to the requirements described in subdivision (a),
9 the department shall apply the following factors when prioritizing
10 and identifying projects for inclusion on the deferred maintenance
11 priority list:

12 (1) Projects that are necessary to prevent a state park from
13 closing.

14 (2) Projects that are necessary to avoid violations of state law
15 and potential assessment of regulatory fines against the department,
16 including, but not limited to, projects to address water quality and
17 waste discharge requirements.

18 (3) Projects that are necessary to address imminent public safety
19 hazards.

20 (4) Projects that are necessary to maintain revenue or have the
21 potential to increase revenue generation in state parks.

22 (5) Projects that will increase park access to underserved
23 communities.

24 (6) Projects that are necessary to protect significant natural or
25 cultural resources.

26 (7) Projects that are necessary to maintain visitation
27 opportunities at state parks.

28 SEC. 2. Section 541.5 of the Public Resources Code is amended
29 to read:

541.5. (a) The department shall not close, or propose to close, a state park in the ~~2012–13 or 2013–14~~ 2012–13, 2013–14, or 2014–15 fiscal year. The commission and the department shall recommend all necessary steps to establish a sustainable funding strategy for the department to the Legislature on or before January 1, 2015.

(b) There is hereby appropriated twenty million five hundred thousand dollars (\$20,500,000) to the department from the State Parks and Recreation Fund, which shall be available for encumbrance for the 2012–13 and 2013–14 fiscal years, to be expended as follows:

(1) Ten million dollars (\$10,000,000) shall be available to provide for matching funds pursuant to subdivision (c).

(2) Ten million dollars (\$10,000,000) shall be available for the department to direct funds to parks that remain at risk of closure or that will keep parks open during the 2012–13 and 2013–14 fiscal years. Priority may be given to parks subject to a donor or operating agreement or other contractual arrangement with the department.

(3) Up to five hundred thousand dollars (\$500,000) shall be available for the department to pay for ongoing audits and investigations as directed by the Joint Legislative Audit Committee, the office of the Attorney General, the Department of Finance, or other state agency.

(c) The department shall match on a dollar-for-dollar basis all financial contributions contributed by a donor pursuant to an agreement for the 2012–13 fiscal year for which the department received funds as of July 31, 2013, and for agreements entered into in the 2013–14 fiscal year. These matching funds shall be used exclusively in the park unit subject to those agreements.

(d) The department shall notify the Joint Legislative Budget Committee in writing not less than 30 days prior to the expenditure of funds under this section of the funding that shall be expended, the manner of the expenditure, and the recipient of the expenditure.

(e) The prohibition to close, or propose to close, *on the closure or proposed closure of* a state park in the ~~2012–13 or 2013–14~~ 2012–13, 2013–14, or 2014–15 fiscal year, pursuant to ~~paragraph subdivision~~ (a), does not limit or affect the department's authority to enter into an operating agreement, pursuant to Section 5080.42, during the ~~2012–13 or 2013–14~~ any of those fiscal year, years, for

1 purposes of the operation of the entirety of a state park during the
2 ~~2012-13 or 2013-14~~ fiscal year.

3 SEC. 3. Section 5010.7 of the Public Resources Code is
4 amended to read:

5 5010.7. (a) The department shall develop a revenue generation
6 program as an essential component of a long-term sustainable park
7 funding strategy. On or before October 1, 2012, the department
8 shall assign a two-year revenue generation target to each district
9 under the control of the department. The revenue target may be
10 amended annually for subsequent years, beginning in the 2015-16
11 fiscal year. The department shall develop guidelines for districts
12 to report the use of funds generated by the revenue generation
13 program, and shall post information and copies of the reports on
14 its Internet Web site.

15 (b) The California State Park Enterprise Fund is hereby created
16 in the State Treasury as a working capital fund, and the revenue
17 shall be available to the department upon appropriation by the
18 Legislature, for the expenditures for the purposes specified in this
19 section and shall be available for encumbrance and expenditure
20 until June 30, ~~2014~~, 2015, and for liquidation until June 30, ~~2016~~
21 2017.

22 (c) The incremental revenue generated by the revenue generation
23 program developed pursuant to subdivision (a) shall be deposited
24 into the State Parks and Recreation Fund. Revenue identified as
25 being in excess of the revenue targets shall be transferred to the
26 State Parks Revenue Incentive Subaccount, established pursuant
27 to Section 5010.6, on or before June 1, annually.

28 (d) Moneys appropriated to the department pursuant to
29 subdivision (b) and Section 5010.6 shall be expended as follows:

30 (1) (A) The department shall allocate 50 percent of the total
31 amount of revenues deposited into the State Parks Revenue
32 Incentive Subaccount pursuant to subdivision (c), generated by a
33 park district to that district if the amount of revenues generated
34 exceeds the targeted revenue amount prescribed in the revenue
35 generation program. The revenues to be allocated to a park district
36 that fails to achieve the revenue target shall remain in the fund.

37 (B) With the approval of the director, each district shall use the
38 funds it receives from the department from the revenue generation
39 program to improve the parks in that district through revenue
40 generation programs and projects and other activities that will

1 assist in the district's revenue generation activities, and the
2 programs, projects, and other activities shall be consistent with
3 the mission and purpose of each unit and with the plan developed
4 for the unit pursuant to subdivision (a) of Section 5002.2.

5 (C) The department shall report to the Legislature, commencing
6 on July 1, 2014, and annually on or before each July 1 thereafter,
7 on the revenue distributed to each district pursuant to this section.

8 (2) The department shall use 50 percent of the funds deposited
9 into the State Parks Revenue Incentive Subaccount pursuant to
10 subdivision (c) for the following purposes:

11 (A) (i) To fund the capital costs of construction and installation
12 of new revenue and fee collection equipment and technologies and
13 other physical upgrades to existing state park system lands and
14 facilities.

15 (ii) *In expending funds pursuant to this paragraph, the*
16 *department shall give first priority to the implementation of an*
17 *integrated statewide enterprise system to modernize the*
18 *department's fee collection, reservations, sales, and data collection*
19 *systems. The system shall include, but is not necessarily limited*
20 *to, an integrated communications network that provides real time*
21 *access to transactions data and connectivity between park districts*
22 *and department headquarters, including point-of-sale automated*
23 *fee collection equipment in state park units.*

24 (B) For costs of restoration, rehabilitation, and improvement of
25 the state park system and its natural, historical, and visitor-serving
26 resources that enhance visitation and are designed to create
27 opportunities to increase revenues.

28 (C) For costs to the department to implement the action plan
29 required to be developed by the department pursuant to Section
30 5019.92 of the ~~Public Resources Code~~.

31 (D) To establish a revolving loan program pursuant to
32 subdivision (e).

33 (e) (1) The department shall establish a revolving loan program
34 and prepare guidelines establishing a process for those districts
35 that receive moneys under paragraph (1) of subdivision (d) to apply
36 for funds that exceed the amount of funds provided to the districts
37 pursuant to paragraph (1) of subdivision (d). It is the intent of the
38 Legislature that the revolving loan program fund only those
39 projects that will contribute to the success of the department's
40 revenue generation program and the continual growth of the fund

over time. Districts may apply for funds for capital projects, personnel, and operations that are consistent with this subdivision, including the costs of preparing an application. The department shall provide an annual accounting to the Department of Finance and the relevant legislative committees of the use of those funds in accordance with the purposes outlined in Proposition 40 (the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Act of 2002 (Chapter 1.696 (commencing with Section 5096.600) of Division 5)) and Proposition 84 (the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Division 43 (commencing with Section 75001))), voter-approved bond acts.

(2) The guidelines prepared pursuant to paragraph (1) shall require that applications for funding include all of the following:

(A) A clear description of the proposed use of funds, including maps and other drawings, as applicable.

(B) A market analysis demonstrating demand for the project or service.

(C) The projected lifespan of the project, which must be at least 20 years for a proposed capital project.

(D) A projection of revenues, including the specific assumptions for annual income, fees, occupancy rates, pricing, and other relevant criteria upon which the projection is based.

(E) A projection of costs, including, but not limited to, design, planning, construction, operation, staff, maintenance, marketing, and information technology.

(F) The timeframe for implementation, including all necessary reviews and permitting.

(G) The projected net return on investment of the life of the project.

(H) Provisions providing for mandatory reporting on the project by districts to the department.

(f) The department shall rank all of the proposals and award loans for projects or other activities to districts based on the following criteria, as well as other considerations that the department considers relevant:

(1) Return on investment.

(2) Length of time for implementation.

(3) Length of time for the project debt to be retired.

1 (4) Percentage of total project costs paid by the district or by a
2 source of matching funds.

3 (5) Annual operating costs.

4 (6) Capacity of project to improve services or park experiences,
5 or both, for park visitors.

6 (g) The funds generated by the revenue generation program
7 shall not be used by the department to expand the park system,
8 unless there is significant revenue generation potential from ~~such~~
9 ~~an~~ the expansion.

10 (h) Notwithstanding Section 5009, moneys received by the
11 department from private contributions and other public funding
12 sources may also be deposited into the California State Park
13 Enterprise Fund for use for the purposes of subdivision (c) and
14 subdivision (d).

15 (i) The department shall provide all relevant information on its
16 Internet Web site concerning how the working capital funds are
17 spent, including the guidelines and the department's ranking criteria
18 for each funded loan agreement.

19 (j) A project agreement shall be negotiated between the
20 department and a park unit and the total amount of requested
21 project costs shall be allocated to the district as soon as is feasible
22 when the agreement is finalized.

23 (k) The department may recoup its costs for implementing and
24 administering the working capital from the fund.

25 SEC. 4. Chapter 14 (commencing with Section 5880) is added
26 to Division 5 of the Public Resources Code, to read:

27
28 CHAPTER 14. DIVISION OF COMMUNITY INITIATIVES AND PARK
29 ACCESS
30

31 5880. On or before July 1, 2015, there shall be created within
32 the department the Division of Community Initiatives and Park
33 Access. The purpose and objectives of the division shall include,
34 but not be limited to, all of the following:

35 (a) Promoting and enhancing access to, and relevancy of, state
36 parks for urban and underserved communities.

37 (b) Working in partnership with other governmental agencies,
38 nonprofit organizations, schools, and community groups, through
39 education, outreach, and technical assistance, to increase the

1 capacity of local communities to meet the recreational and open
2 space needs of their residents.

3 (c) Developing and promoting programs that address the park
4 and recreational needs of underserved youth and young adults, and
5 programs that connect young adults with nature and the outdoors.

6 SEC. 5. This act is an urgency statute necessary for the
7 immediate preservation of the public peace, health, or safety within
8 the meaning of Article IV of the Constitution and shall go into
9 immediate effect. The facts constituting the necessity are:

10 In order to address urgent needs within the state park system for
11 maintenance of facilities necessary to protect public health and
12 safety, to enable the state as soon as possible to generate the
13 revenues necessary to keep state parks open to the public, and to
14 preserve the vital role of state parks in ensuring healthy
15 communities, it is necessary that this bill take effect immediately.